



# STATE OF RHODE ISLAND

## Public Utilities Commission

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Chairman Ronald T. Gerwatowski  
Commissioner Abigail Anthony  
Commissioner John C. Revens, Jr.

### NOTICE (Issued December 6, 2021)

At its Open Meeting held on August 11, 2021, the Commission approved a revised tariff, RIPUC No. 2244, "Standards for Connecting Distributed Generation," filed in Docket No. 5077.<sup>1</sup> During the technical sessions and at the Open Meeting, the Commission identified the following outstanding issues related to interconnection that need further review:<sup>2</sup>

1. final accounting for system modifications,
2. allocation of costs related to operation and maintenance (O&M) costs that arise from tariffs subject to the Federal Energy Regulatory Commission's (FERC) jurisdiction,
3. transparency in interconnection studies at the distribution and transmission level
4. additional reporting requirements.
5. an ombudsperson role in dispute resolution,

The Commission is assigning two docket numbers to two staff-led non-decisional docket(s) to gather information and comments initially on final accountings, ESB Bulletin update notice, and O&M cost allocation issues noted above. The remaining issues will not be addressed at the outset but may be added later. Decisional dockets on the various issues will commence at an appropriate time in the future

Staff invites participation by interested stakeholders. National Grid is a mandatory party; staff will also seek input from the Division of Public Utilities and Carriers (Division) and the Office of Energy Resources (OER). Stakeholders are not required to retain an attorney to participate. Notices for comment will be posted on the docket pages and sent to distribution lists. Workshop notices and requests for comments will be posted in accordance with the time and notice requirements of the Open Meetings law regardless of the expected status of a quorum of Commissioners. This Notice is being sent initially to the list of people who receive the monthly ASO reports. If you would like to be included on the distribution list for either or both dockets, please respond directly to Cindy Wilson-Frias [cynthia.wilsonfrias@puc.ri.gov](mailto:cynthia.wilsonfrias@puc.ri.gov).

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<sup>1</sup> Docket information can be accessed at [www.ripuc.ri.gov/eventsactions/docket/5077page.html](http://www.ripuc.ri.gov/eventsactions/docket/5077page.html).

<sup>2</sup> The meeting minutes can be accessed at [www.ripuc.ri.gov/eventsactions/minutes/Minutes\\_August\\_2011\\_2021.pdf](http://www.ripuc.ri.gov/eventsactions/minutes/Minutes_August_2011_2021.pdf), a recording of the meeting can be accessed at [video.ibm.com/recorded/130787294](http://video.ibm.com/recorded/130787294)

Questions may be directed to Cindy Wilson-Frias at 401-780-2147 or the above email or to Todd Bianco at 401-780-2106 or [todd.bianco@puc.ri.gov](mailto:todd.bianco@puc.ri.gov).

### **Docket No. 5205 – Review of the Cost Allocation and Recovery of Ongoing Operation and Maintenance Expenses Related to the Interconnection of Distributed Generation Projects**

The Commission’s Guidance Document issued in Docket 4600A introduced new goals for the electric system and rate design principles that, in certain circumstances, may promote augmentation of simple cost allocation. DG customers and stakeholders have argued for deeper consideration of the appropriate application of cost-causation principles with respect to O&M expenses related to transmission facilities constructed for DG interconnections (which, in some instances are referred to as Direct Assignment Facility (DAF) charges), among other costs. National Grid has suggested that ongoing O&M expenses related to transmission facilities constructed for DG interconnections are properly assigned to interconnecting customers under traditional cost-causation principles. National Grid may be relying on the decisions in Docket No. 4981 in which the Commission addressed cost responsibility for transmission and distribution system modification costs and discussed the appropriateness of continuing to follow cost-causation.

A review of the record in Docket No. 4981 reveals that the Commission was not asked about ongoing O&M expenses related to these system modification costs. Thus, questions remain whether these O&M expenses are part of the system modification costs; whether there is a different treatment of these costs compared to traditional load-related contribution in aid of construction (CIAC) charges; whether there is a reason these costs should or should not be treated differently from construction related costs; whether there is a reason the ongoing O&M costs of DG projects should be treated the same or different from load projects.

Furthermore, the Commission is aware of three dispute resolution petitions filed with the Commission related to this matter. Two of these petitions are in active negotiations, the third was dismissed without prejudice because it was simultaneously filed with FERC. FERC has since ruled on the issues in that case under its jurisdiction,<sup>3</sup> FERC declined to rule on the appropriate retail cost allocation and recovery of the charges under the retail tariff as being outside of its jurisdiction and within the jurisdiction of the Commission.<sup>4</sup>

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<sup>3</sup> FERC has recently ruled on the federal question (176 FERC ¶ 61,193). Green Development’s Complaint (EL21-47-000) was granted in part and denied in part. FERC found the upgrades were appropriately categorized as direct assignment facilities (paragraph 58), but also found that New England Power may not assess Direct Assignment Facility charges to Narragansett in association with the upgrades necessary for the Projects unless and until it complies with the” requirement that the upgrades which NEP is classifying and charging as “Direct Assignment Facilities shall be specified in a separate agreement among the ISO, Interconnection Customer and Transmission Customer, as applicable.” (paragraph 62).

<sup>4</sup> “Green Development requests that the Commission order Narragansett to cease passing through Direct Assignment Facility Charges to Green Development. Green Development also argues that allowing Narragansett to pass through Direct Assignment Facility charges to Green Development would subject Green Development to Commission-jurisdictional charges for which it is not responsible and would result in unjust and unreasonable wholesale rates for Green Development. Narragansett recovers charges from Green Development under the terms of a retail tariff that is outside of our jurisdiction as well as beyond the scope of the complaint. Therefore, we do not address Green Development’s allegations against the rate that Narragansett charges it or the pass through of charges at the retail level.” *Id.* at (paragraph 66).

Staff will aim to create a clear description of how DAF charges are calculated by New England Power (NEP) under the FERC tariff and from whom those costs are recovered. Staff will start by gathering data on CIAC, Line Extension Policies, treatment of such expenses for dedicated distribution system modification assets, and current treatment and recovery of DAF charges in Rhode Island.

**Docket No. 5206 – Review of Administrative Issues Related to the Interconnection Process**

- Final Accounting – Customers seeking to interconnect both DG and load facilities may benefit from greater detail provided by National Grid in the final accounting of interconnection work performed and charged to the customer. Staff will start by gathering examples of final accountings to both DG and load facilities, solicit feedback from customers and developers and then seek to define the problems additional detail in the final accounting would solve or additional benefits that would be created. Finally, staff would explore if regulatory solutions could be implemented by the Commission.
- Electric Services Bulletin (ESB) Notice Requirements – Interconnecting customers and developers may benefit if the Commission reviewed and approved all changes to National Grid’s ESB. This has not traditionally been done in Rhode Island or Massachusetts and would affect more facilities beyond DG. Staff will first solicit information on the content of the ESBs; specific concerns that have arisen in relation to ESB updates; how such updates are handled in Massachusetts and other states; why the ESB currently is not subject to Commission review and approval; reasons that support and contradict Commission review and approval; and possible regulatory solutions, if necessary.